



**CONFIDENTIAL**  
CONFIDENTIAL

50X1-HUM

1. Industry has been nationalized and is more and more in a position to provide agriculture with machinery, equipment, and fertilizer for large-scale agricultural production.

2. The network of agricultural machine stations is being enlarged continuously.

3. While the state farms are still poorly organized, they can serve as models, helping the peasantry apply scientific methods to farming.

4. The collective-farm movement is a success. More than 10 percent of the arable land of the country (about one million cadastral yokes), owned by 145,000 peasant families, has been collectivized. The enlightened sector of the medium peasantry is being oriented toward collective farming.

All this, however, is not sufficient. The working peasantry has to be convinced patiently and persistently. The congress finds that the main task facing the country and the party is to change the dual character of the economy by reorganizing agriculture along socialist lines.

By raising the targets of the Five-Year Plan, industrialization must be so accelerated that by 1954 the level of production will have risen by at least 200 percent as compared with 1949, instead of the 86.4 percent originally planned. Within this figure, heavy industrial production must increase at least 280 percent, instead of the 104.3 percent originally planned, and light industrial production at least 145 percent, instead of the 72.9 percent originally planned.

Investments should total at least 80 billion forints during the 5-year period, instead of the 50.9 billion originally planned. Industrial investments should reach the 40-billion-forint mark, instead of 21.3 billion. Heavy industrial investments should total 37 billion forints, instead of the 18.3 billion forints originally planned. The national income must increase at least 120 percent, relative to 1949, instead of the 63 percent originally planned. Productivity must rise during the 5-year period by at least 90 percent, instead of 50 percent. The nation's standard of living must rise by at least 50 percent during the 5-year period, instead of the 35 percent originally planned.

Industry must be assured of 650,000 new workers instead of the 480,000 originally planned during this 5-year period, primarily through organized labor-recruiting campaigns. To assure industry of sufficient technical personnel during the 5-year period, 11,000 engineers and 17,000 technicians will have to be trained.

Decisive steps will have to be taken during the Five-Year Plan period to eliminate the backwardness of agriculture. To raise the general standard of living, agricultural production will have to increase by 50 percent relative to 1949. To reach this goal, independent peasants must be helped also. Peasants should enter cooperatives on a purely voluntary basis.

Every measure should be taken to facilitate the admission of peasants into cooperatives. In addition to the most advanced form of cooperative (group I), the peasants must have the opportunity to join cooperatives which are less developed, that is, groups II and III. Peasants are to be paid rent for the land which they have contributed. Decrees regarding property which continues to be privately owned by the peasants are to be observed strictly. The kulaks must be isolated, not only by official means, but by the individual actions of the working peasants as well.

- 2 -

CONFIDENTIAL

**CONFIDENTIAL**

**CONFIDENTIAL**

CONFIDENTIAL

50X1-HUM

As a prerequisite for the realization of the increased Five-Year Plan and for the reorganization of agriculture along socialist lines, the cultural revolution is to be encouraged. Knowledge, skills, the educational system, the arts and sciences, the press, libraries, movie theaters, and the radio are to be developed.

The still-inexperienced municipal, district, town, and county councils must be strengthened and the quality of their work needs improvement. Hostile influences must be eliminated, so that these councils may carry out their tasks, direct local agricultural production, and encourage the socialist sector of agriculture.

- E N D -

- 3 -

CONFIDENTIAL

**CONFIDENTIAL**